

FINAL MINUTES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Thursday, November 10, 2005

Arlington, VA

Mr. Steve Schwalb, Committee Chairperson, called the meeting to order at 9:00 am. In accordance with Committee policy, he asked attendees to introduce themselves.

I. Consideration of Minutes – September 8, 2005

Mr. Schwalb said he had one minor change to the September 8th Committee Meeting minutes and asked the other members if they had any changes; Ms. Angela Phifer, Committee staff, said there were none. A motion was made by Mr. James Omvig, Private Citizen, that the minutes be adopted. The motion received a second from Mr. Rick Beaman, Air Force, and was adopted by unanimous vote.

II. CNA Fee Setting Process

Admiral Dan Stone, Chairman of the Finance and Information Subcommittee, gave a report on the recommendations to the Committee on the Central Nonprofit Agency (CNA) fee setting process. Admiral Stone thanked everyone involved for their input and the long hours they put in developing the process. He especially thanked the Committee staff and the CNAs for all of their hard work.

Admiral Stone reminded the Committee that last spring, the Finance and Information Subcommittee was tasked with assessing the current CNA, and with providing the Committee some recommendations for improvements. He provided some background history and outlined the issues surrounding the current fee process.

Admiral Stone said that he had met with several JWOD affiliated nonprofit agencies (NPAs) and held candid, open discussions on the fee process. He then went through a list of CNA fee myths and truths. He discussed the input collected from the stakeholders, including the government customers and the nonprofit agencies. Next, he gave an overview of the findings of the existing process, including the need for a communication plan to educate all the stakeholders. He went on to present a performance based/outcome driven model (PB/ODM).

Finally, Admiral Stone presented the recommendations, which include developing a communication plan, having CNAs develop a PB/ODM model for fee requirement and developing a business plan linking initiatives and outcomes in ROI terms, and formalizing a multi-year PB/ODM fee determination process.

Admiral Stone stated that the Subcommittee will continue to work on improving the fee process, and will oversee, through the Committee staff, a working group to develop a fee communication plan, which will report their progress to the Subcommittee on a monthly basis and to the full Committee on a quarterly basis.

Admiral Stone deferred to the other members for questions and comments. Mr. Robert Kelly, Private Citizen, wanted to know with how many stakeholders the Admiral had spoken. Admiral Stone responded that there were seven or so, and Mr. Wilson described the cross-section of participants.

Subcommittee members Mr. John Surina, Mr. Andrew Houghton, and Mr. Fredrick Beaman voiced their unanimous support of the Subcommittee's report. A motion was made by Admiral Stone for the Committee to adopt the report as presented by the Finance and Information Management subcommittee. The motion was seconded, and was adopted by unanimous vote of eight Committee members.

III. Ft. Carson/Goodwill Update

Mr. John Heyer, Committee Counsel, gave an update on the Ft. Carson/Goodwill case. He said the litigation is continuing, and on October 19, 2005 there was a motions hearing. The judge directed that pleadings be refiled. A settlement hearing was scheduled for yesterday, but a settlement was not reached. A trial will be scheduled for later this year, if a settlement is not reached before then.

IV. Branding Initiative

Mr. Andrew Houghton, Chair of the Business Development Subcommittee, began the discussion on the JWOD Program branding assessment and the Subcommittee's recommendations. He said the Subcommittee is asking the Committee to consider whether or not the current Javits-Wagner-O'Day (JWOD) brand is an appropriate and effective name to carry the Program into the 21st century, but is not asking for a decision on any other naming options at this time. Ms. Kimberly Zeich, Committee staff, gave a presentation on the strategic branding issue. First, Ms. Zeich gave background information about the Strategic Planning process and the acknowledged confusion regarding the JWOD Program and the roles of the various participating organizations.

She reported that a collaborative Working Group was established to explore a more unified program image and possibly a new name over the past several months. In August, the subcommittee was presented with a comprehensive analysis around several branding issues, but determined to first focus on the relative strengths and weaknesses of the current JWOD name and the availability of viable alternatives. In October, the Subcommittee was presented with this information and voted to bring the issue to the Full Committee for decision, with a recommendation for a change in the Program name. Next, Ms. Zeich explained the general role of a name in program brand identity. She then went through the advantages and disadvantages of changing the name, and for illustrational purposes, presented a few sample name alternatives with graphics. She then

explained the next steps to be taken by the Subcommittee based on the Committee's forthcoming decision to either continue with the JWOD name or explore new possibilities. Mr. Houghton stated that this is an incredible opportunity to leverage new initiatives into a more positive global message. He advised that a majority of the Business Development Subcommittee supported a name change, though one member did not believe a change was warranted.

Mr. Schwalb complimented Mr. Houghton and the Subcommittee for their efforts with the strategic branding initiative. He invited the members to discuss whether the current name is the most effective, descriptive vehicle for the program's message, and whether they believe a name change would facilitate the program moving forward. He cautioned that a change in name alone will not remove the confusion in the organizational structure overnight; and also stated that he would not necessarily be concerned about the Government workforce changing, as he believes the agencies can handle this change. Mr. Osborne Day, Private Citizen, said that he hasn't met anyone who knows what JWOD is, and that the program needs to find a solution to this lack of recognition. Mr. Robert Kelly, Private Citizen, said he would like to hear from NIB and NISH how the CNAs feel about a potential name change.

Mr. E. Robert Chamberlin, President/CEO, NISH, said he was impressed with the work that had been done. Initially, NISH was exploring a name change, but decided to take a step back to see what the Committee does regarding the program name.

Mr. Jim Gibbons, President/CEO, National Industries for the Blind (NIB), said that the NIB Board felt that the program needed to be modernized, not the name. He said that data showed there was connectivity with the JWOD name. He added that NIB will be on board if the decision is made to change the JWOD name, but that the NIB Board of Directors did not support a name or brand change.

Mr. John Surina, Department of Agriculture, said the JWOD name is known within the procurement community, but outside the procurement arena that it is not well known. He said that recognition and buy-in from new career executives within Government is important for the program's future. He said the brand SKILCRAFT is better recognized among most people in the Federal government, due to the visibility of the brand name on office supplies, but that people did not necessarily relate SKILCRAFT to the JWOD Program or to people who are blind.

Mr. Wilson stated that the JWOD Program name does not resonate with most Federal employees and to some extent, the program branding campaign is starting from scratch with or without use of the current name. The issue then becomes which name should be chosen around which to build such recognition. He said that ideally, the name should reflect what the program is about, and that a name change is an opportunity to go in a new direction. Mr. Wilson also stated that the JWOD Program's name still carries the legacy of 1930's sheltered workshops, and that unless that name is changed; many disability advocates will always see our program through that 1930's prism.

Mr. Schwalb said that “Return on Investment” is a nice term, but difficult to calculate in a multi-variable context, and is often in the “eyes of the calculator.” The most important consideration for him is whether the name honors the capabilities of the people whom the program services versus those who passed the law. He said that an aggressive marketing plan would help make any new name representative of the people served.

Mr. Beaman said that in the Air Force, most people do not recognize the JWOD name or understand the roles of the different players (Committee/NIB/NISH/etc.) He agreed with Mr. Schwalb’s comment that an aggressive marketing plan is necessary and will make a significant difference in the extent to which the program’s mission is recognized in the future. He also agreed that the concept of “Return on Investment” is subjective at best in this specific situation, because of the many non-quantifiable cost factors.

Mr. Chamberlin commented that the idea is to improve the program for the 21st century. Secondly, he stated his concern is that the JWOD Program name is often confusing to external audiences, and does not lend itself to explanation in a few seconds as to what the program is about. He said that the acronym “JWOD” itself [conveys] nothing, and that neither does the NISH name, as it is used today. He said that the brand identity issue is not about how to create fancy advertisements on television or radio, but instead, it is about how easy or difficult it is to explain the program. Mr. Chamberlin pointed out that the SKILCRAFT name, in contrast, has inherent meaning, but that it represents only a small part of the total JWOD Program.

Mr. Gibbons agreed that the name SKILCRAFT does mean something. He said it has recognition especially in the commodities arena and that it is a foundation that NIB can still build identity from. However, he also stated once again that the NIB Board does not support a name change, but that if one is made that the NIB Board would fully support the Committee’s decision.

Mr. Fred Puente, President of the Blind Industries of Maryland (BISM), asked how many jobs would be created due to a name change. He said the people served by this program must be considered. Mr. Schwalb asked of the nonprofit agencies in the room, had they ever been required by the Committee or the CNAs to use the program name on their materials? [Staff comment: No, this has never been a formal requirement, though agencies are encouraged to incorporate the JWOD logo on product packaging and promotional materials for consistency and recognition].

Mr. Kelly said that marketing initiatives can be done with or without a name change. He did not see an overwhelming case to change the name. He noted that one of the CNAs was opposed to it. He disclosed that he was the Subcommittee member who dissented from the recommendation.

Mr. Jim Omvig said his concern was that if the Committee adopts a change, that there should be some benefit to the program in terms of jobs and quality. He asked to clarify the positions of the CNA Boards. Mr. Chamberlin said the NISH Board in full did not vote on a name change because they were waiting for the Committee’s decision,

however, the Branding Subcommittee of the NISH Board supported more research and said a name change was probably in order. The NIB Board was not in favor of the change because the data they obtained did not show a need for one.

Dr. Hank Baud, Executive Director, Cincinnati Association for the Blind, recently went through an agency name change and noted that his Board was adamant about maintaining the local nature (“Cincinnati”) of their brand name. Mr. Houghton advised that the Subcommittee’s recommendation was not intended to have any nonprofit agency replace its local brand or identity, but to roll in the new program name as a co-brand when print or packaging materials turnover. He said even a unified marketing effort incorporating the current name to a greater degree would incur business costs. Mr. Puente said that if the Committee does adopt a name change, it should make use of the new name mandatory in order to be effective. Mr. Wilson said there has to be a transition plan in place, but the new name would be mandatory.

Mr. Omvig asked if a concerted advertising campaign or marketing effort had ever taken place before. Ms. Zeich said not to this extent; that part of the reason to consider the program brand name at this time was to have a strong foundation for such a campaign.

Mr. Schwalb said that the fundamental decision, whether the JWOD name should be retained or whether an alternative name would better serve the program, must be made through a Vote Letter. He said there is a lot of work to be done, regardless of the outcome.

Mr. Wilson once again stated that there is the strong perception in Congress and in the advocacy world that the JWOD Program is nothing but “sheltered workshops” that pay less than minimum wages. This is not a positive association, and that a name change would support the idea that, “This is not your grandfather’s JWOD Program.” He said we have a chance to take a bold step forward into the 21st century.

Mr. Houghton said this is a difficult decision and asked the members to consider the length and depth of the exploration process the Subcommittee members went through in arriving at their recommendation. Mr. Beaman agreed, stating that he attended several of the meetings, and it was a long, thoughtful process with different perspectives considered, and that a name change should not be dismissed out of hand just because it might be considered risky.

Ms. Becky Roberts, Catocin Consulting, who facilitated the staff Working Group, said that the data obtained in the branding study could support any position or decision regarding the name; that it is really more of an emotional decision regarding the identity for the future of the program. A staff member from Portland Habilitation Center in the audience commented that as a compliance person, she encountered a lot of confusion in explaining the program to her referral sources, though she was not certain that a name change alone would address this challenge.

In accordance with the voting protocols, a Special Vote Letter will be sent to Committee members regarding this issue.

V. Impact Determination Process: Changes – Writing to Contractors and Subcontractors

Mr. Lou Bartalot, Committee staff, gave a presentation on the Planning & Evaluation Subcommittee's recommended changes to the Committee Impact Policy. Mr. Bartalot read the two recommendations that were sent to the members in the read-ahead paper.

Mr. Omvig made a motion that the recommended report be adopted. The report was adopted by unanimous vote and a Special Vote Letter will be sent to all members.

VI. Subcommittee Reports

EXECUTIVE SUBCOMMITTEE

Mr. Steve Schwalb, Chair of the Executive Subcommittee, reported on Executive compensation and governance. Mr. Schwalb reviewed the status of the withdrawn proposed rule and the Subcommittee has made the following three recommendations:

- 1) Have public hearings on the proposed rule and how it should be crafted
- 2) Have the staff be directed to develop questions and parameters to frame the hearing's discussions
- 3) Have staff identify and plan three hearings (East, Central, and West) after the first of January 2006.

He would like to gather input and proceed expeditiously to draft a new proposed rule. He said it will not be a debate, but an oral comment period. People will be able to give written statements and have five minutes to speak at the podium.

Mr. Schwalb made a motion that the recommendations by the Executive Subcommittee be approved. The motion was adopted by unanimous vote.

PLANNING & EVALUATION (P&E)

Mr. James Omvig, Chair of the Planning and Evaluation (P&E) Subcommittee commended Jim Gibbons on a very successful NIB Conference. He said he was very impressed with the graduation ceremony of the Business Leaders and the fact that they all have secured management positions.

Mr. Omvig gave a report on the issues discussed at the October 13, 2005 meeting. The Work Group that was formed out of the suitability and impact discussions also met and had a very productive meeting. This group had a lengthy discussion on the definition of "severely disabled and competitively employable". A paper will be developed by Stephen Maguire, Committee staff, as a result of this meeting.

Mr. Omvig asked Mr. Chamberlin and Mr. Gibbons if they could provide the number of people who are not being paid minimum wage. Mr. Gibbons said he believes that NIB could supply the data. Mr. Chamberlin said it would be a little more difficult for NISH to provide that information, because data is collected by contract. Mr. Vic Dennis, NISH Regulatory Affairs, said there is not a breakdown of the numbers. Mr. Houghton made comments about the impact of an increased wage for workers. However, both CNAs agreed to provide the minimum wage data at the January Committee meeting.

Mr. Schwalb asked that the CNAs provide the number of people who are being paid less than the minimum wage, the wage earned, and the type of disability the employee has.

GOVERNANCE

Mr. Rick Beaman, Chair of the Governance Subcommittee, gave a report on the meeting held on October 17, 2005. The main issue that was discussed was the roles and responsibilities of the Committee, Committee staff, CNAs, Nonprofit agencies, and Government contracting agencies. The Subcommittee decided to take a look at all the documents and regulations pertaining to roles and responsibilities.

Mr. Beaman commended Mr. Gibbons and NIB on a successful conference. He also said he made an unannounced visit to the Wright Patterson AFB Base Supply Center. He commented that it was very well run. Mr. Beaman also indicated that the sales at the store had increased significantly over the past year.

BUSINESS DEVELOPMENT

Mr. Houghton, Chair of the Business Development Subcommittee, reported on the issues discussed at their October 11, 2005 meeting. He said the first topic regarding the JWOD Program name and brand identify had been thoroughly covered. The second topic involved the Industries for the Blind – Milwaukee’s marketing and distribution practices based on customer complaints received by the Committee staff. The primary area of concern was the agency’s marketing of its electronic commerce office products catalog, www.BaseSupply.com. The nonprofit agency and NIB staff proposed some solutions to address the complaints and concerns, and the Subcommittee agreed to have NIB monitor their implementation.

Finally, Mr. Houghton reported that BD is overseeing the progress of a working group to address the “Total Government Requirement” (TGR) issue, which relates to the scope of Procurement List additions for commodity items that have no single manager within the Federal Government. This solution is still being developed at the staff level, and a meeting is scheduled for November 18, 2005. Mr. Schwalb said that if the solution is procedural, the full Committee can be notified of the outcome, with the review and approval handled through the Subcommittee. Mr. Houghton said once a working level solution is finalized, it may result in a Special Vote Letter, if policy-based.

IX. CNA Reports

NISH

Mr. Robert Chamberlin, President/CEO, NISH, visited New Orleans and the Gulf Region. He said the conditions are devastating. Some of the JWOD contracts are back up and running, but there are not a lot people back in New Orleans yet. The Federal Building in New Orleans is open and contracts there as well as at Naval Air Station (NAS) Belle Chasse are operating, although not at pre-hurricane levels. NISH has provided trailers for some of the employees to live in. At the grounds maintenance site on NAS Belle Chasse, approximately eighty percent of the JWOD workers lost their homes. Mr. Chamberlin also gave an update on St. Tammany ARC (STARC) of Slidell, LA. Through NISH Business Development contacts with commercial firms working on the relief efforts, STARC was able to bid on and receive a contract with VT Griffin for doing the laundry for the Tent City at NAS Belle Chasse, as well as for doing all of the laundry for VT Griffin's workers. This contract has enabled STARC to re-employ all of their pre-Katrina JWOD workers who would have remained unemployed through February 2006 when their JWOD contracts are expected to restart.

Secondly, BH Services of Rapid City, South Dakota had their annual meeting with about 1,000 attendees including two JWOD Congressional Champions.

He reported that NISH had its annual planning meeting and agreed to make improving organizational effectiveness and investing in new lines of business its two main focuses for FY 07.

NIB

Mr. Jim Gibbons, President and CEO/NIB, gave an update on New Orleans and the Gulf Region. He said some agencies are back up and running but some are having a very difficult time. Mr. Gibbons commended the agencies that have helped with contributions to supplement the incomes of those affected.

Mr. Gibbons thanked the Committee and staff for coming to the 2005 NIB/NAEPB Annual Training Conference in Baltimore, MD. He indicated that the NIB Board will be working on aggressive growth plans and more programs for the future. He said the numbers are down four percent and commodities are slightly down.

Mr. Chamberlin also mentioned that he has read some articles that have been blatantly wrong about executive salaries. He said the 990s should be reviewed and the record needs to be set straight.

X. Executive Director's Comments

Mr. Leon Wilson, Executive Director, reported that the following nominees have been named to join the Committee: Ed Anthony, Department of Education and Jan Frye, Department of Veterans Affairs. He also indicated that there will be a private citizen vacancy in December if Andrew Houghton does not receive an extended term.

Secondly, Mr. Wilson responded to NIB's request for an extension on their TAA deadline. He will send a written reply to Mr. Gibbons granting NIB a 90-day extension after December 1st.

Mr. Wilson also stated that CNA budgetary guidance will be out in a couple of weeks. Mr. Wilson will lead a Working Group that will develop ways to make the P/L additions process more timely and efficient.

An April timeframe has been set to work on the new Strategic Plan. Mr. Schwalb has developed a list of items and Mr. Wilson will send it to the Committee members.

Finally, Mr. Wilson reported that the Committee was the first agency in the entire Federal government to reach its monetary Combined Federal Campaign goal. He said the Committee staff had 100% participation and doubled its goal. Mr. Schwalb congratulated the staff on a job well done.

XI. New Business

Mr. Schwalb suggested that the former practice of having the nonprofit agencies make presentations at Committee meetings be reinstituted. Mr. Houghton suggested that the agency be chosen based on the agenda topics. The CNAs will invite the agencies and advise the staff about their selection before the meeting.

After determining there was no further business, Mr. Schwalb adjourned the meeting at 1:00 pm.

List of Attendees – November 10, 2005

Committee Members

Rick Beaman	Department of the Air Force
Osborne Day	Private Citizen
Andrew Houghton	Private Citizen
Robert Kelly	Private Citizen
James Omvig	Private Citizen
Steve Schwalb	Department of Justice/UNICOR/FPI
John Surina	Department of Agriculture
Daniel Stone	Department of the Navy

Committee Staff

Claudia Addison
Louis Bartalot
Mary-Carolyn Bell
Connie Corley
Janice Friedeborn
Annmarie Hart-Bookbinder
Robert Hartt
John Heyer
Stephanie Hillman
Amy Jensen
Sheryl Kennerly
Stephanie Lesko
Barry Lineback
Steve Maguire
Angela Phifer
Patrick Rowe
Leon Wilson
Kimberly Zeich

NISH

Robert Chamberlin
Vic Dennis
Dennis Fields
Elizabeth Goodman
Paul Plattner
Barbara Van Allen

NIB

Steve Brice
James Gibbons
Angela Hartley
Yogi Mangual
Arun Shimpi

Steve Wessler

List of Attendees – November 10, 2005 (Continued)

Government Representatives/Staffers

Doug Allen	Goodwill Industries International
Aaron Collmann	GSA
Bob Gillcash	Envision
Dorothy Hindman	Department of the Army
Suzanne Mitchell	Department of Education
Vanessa Resler	Department of Education
Martin Tillman	Department of the Army

Others

Jessica Abrahams	McKenna Long & Aldridge
Hank Baud	Cincinnati Association for the Blind
Jerry Bettenhausen	Work Services Corporation – Wichita Falls, TX (NPA)
Christina Davis	BISM
Susan Fonfa	FedCap
Adele Gasparro	ORC Industries
Bob Gillcash	McKenna Long & Aldridge
Maggie Hansen	Portland Habilitation Center (PHC), Oregon
Marc Kilmer	Accses
Jeffrey Kosseff	The Oregonian
Linda Merrill	Envision/NAEPB
Sharon Omvig	Private Citizen
Fred Puente	BISM
Becky Roberts	Catoctin Consulting
Eric Stueckrath	Outlook Nebraska, Inc.
Gary Whitaker	Gulf Coast Enterprises, Pensacola, FL